

Small Enterprises by Former Migrant Workers

A Social Remittance Analysis

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Abstract: Indonesia migrant workers have potential social remittance that they generated while working in their host country. Social remittance itself is identified as a capability which is got from a foreign country, namely skill, knowledge, and culture that give the advantage to develop themselves and their home country. This paper will discuss how former migrant workers use their social remittance to improve their life and the community where they live, with one case study, the experience of Titi, a former migrant worker from Banyumas who is now an entrepreneur. This paper argues that by using social remittance, they succeeded to develop themselves to be an entrepreneur and give a contribution to enhance the economic life of the community. The research uses in-depth interview and observation to obtain the information on their experiences and perceptions on social remittance, starting from how the social remittance was created until how this social remittance was used to improve their economy. Triangulation is defined as processing data. The experiences which were learned in the research will be discussed as follows. Firstly, the social remittance that they generated while working abroad is identified. Secondly, the process in improving their business skill is discussed. Thirdly, their engagement with their local community as part of collective remittance is explored.

1 INTRODUCTION

Migrant workers have economic remittance that they generated while working in their host country. Data from The World Bank estimates that in 2018 there will be annual remittance flows to low- and middle-income countries reached \$ 529 billion, an increase of 9.6 percent compared to 2016 of \$ 483 billion (World Bank, 2019). A huge number of literatures have drawn the relationship between development and migration, and many other studies depict how migration influence migrants and family's life economically. Migrant workers send their wages to families in their country of origin to finance other family members to continue their education, buy land, and build productive businesses. Therefore, the large number of migrant workers who are working abroad arguably causes a decline in unemployment in the country of origin, a decline in poverty, and economic and social progress (IOM, 2018).

As a country that has a large number of migrant workers, Indonesia benefits from this migration activity. Between 2005 and 2019, the average amount of remittances into Indonesia was 1875.95 USD Million with the highest remittance was transmitted in the second quarter of 2018 as many as 2835.19 USD Million (tradingeconomics.com).

In addition to the economic remittances, migrant workers also contribute to social remittances in the form of the transfer of skills, knowledge, and culture that they have acquired from the host countries where they worked. The abilities, knowledge, and culture they gained during their work were developed as capital to live independently after they returned to the country. They are able to apply and modify the knowledge and information they get from the countries they work for. This paper will discuss the followings. First, the social remittances

that they are generated while working abroad are identified. Secondly, the process of improving their business skills is discussed. Thirdly, their engagement with their local community, and the improvement of their economic life are elaborated.

2 THEORETICAL

Levitt (1998) coined the notion of social remittances, saying that they, associated with transnational migration, comprise of ideas, behaviors, identities and social capital moving from destination countries of migration to the origin communities of migrants. One of the roles played by social remittances is to help migrant workers with entrepreneurship, aside from political integration. In her first work on social remittance, Levitt focused on how the social remittances are shaped in the host community and brought back home by the migrants. In this process, migrants would not absorb all new ideas, instead, there are at least three types of processes. The first is when a migrant abandon their culture altogether. The second is when there is no new ideas or cultures being accommodated and third is when migrants maintain their culture or behavior and develop new ones in the host country (Levitt, 1998: 931-932). In her following work with Lamba-Nieves (2010, 2011), the notion of social remittances is enriched with the acknowledgment of the migrants' experiences prior to migration itself. Furthermore, now, social remittances are found in individual and collective manners and capable of giving local, regional and national impact of migration practice and other practices related to it. Individual social remittances are associated with ideas, habits, view of the world that are adopted by individual migrants and transmitted to their families or close acquaintances. Collective remittances differ from individual remittances in the way that they have a broader impact on community development (Lamba-Nieves, 2011: 13).

Another focus on social remittance is the position of social capital. Boccagni and Decimo (2013) explains how social capital, which Levitt (1998) argues is something remitted to the origin country, is arguably influencing the process of social remittance making itself. The linkage between migrants and the societies or non-migrants at home create the channel where social remittance is transmitted. In this sense, social remittance is understood to move when the migrants are still working abroad. This notion is shared by Levitt and Lamba-Nieves (2010) who make an example of

mechanisms for social remittance which include distant communication and the use of media like the online blog. Boccagni and Decimo (2013) then further argues that the shorter the distance, the possible social remittance could take place. They call social remittance a 'baggage' that can be more acknowledged and accepted by the home communities when the migrants are present in-home visits or return migration.

This paper analyses the experience of Titi, a former migrant worker who had returned since 2016 and now manages a community-based business of Batik production and sale. The discussion part of this paper is structured based on Levitt and Lamba-Nieves' development of social remittances. The first part identifies the process of the making of social remittances; how Titi's experiences at home and abroad formed new ideas and ethics. The second part describes the individual social remittances, how she initiated the business as a result of the remittance. The final part describes the collective social remittances, how she influences her community through her work.

3 METHOD

This article is the result of research using qualitative method using a case study. Types of data are interview and observation. The data collection techniques are in-depth interview and participatory observation. For processing data using triangulation. The research sources are former migrant workers who are now entrepreneurs.

4 RESULT AND DISCUSSION

4.1 Identification of Social Remittances

One of the characteristics of social remittance is the experiences, ideas, and habits that migrants have adopted from the country where they work to migrant origin countries. Identifying the social remittances obtained by migrants, experience, knowledge, and habits can be seen in migrant workers through what has been done. Titi is a migrant worker who has worked in Hong Kong since 2000 and returned to her homeland in 2016. Titi's departure was motivated by a dream to improve her well-being.

As a migrant in Hong Kong, Titi found that cultural differences include the habits and perspectives of people in Hong Kong. While hanging out with Hong Kong residents, Titi saw that they were very focused on the work they had. They

devote their attention to doing work. They leave early in the morning and go home at night to work. Titi saw that Hong Kong residents were very disciplined in managing their time and caution in using money. They plan and use their money carefully and precisely according to their plans and uses.

"They are hard workers, very focused on their work. They are very aware that if they do not work hard, they do not eat. I also appreciate them for educating children. They love their children very much, but if their children make a mistake, they are still punished. So it does not mean that because of love, there will be no punishment; instead, there is no bad deed went unpunished".

The culture of managing time properly and meticulous in everything they do becomes the experience and habits that migrant workers learn when working there. The dedication and enthusiasm of the Hong Kong people in doing work ultimately affected Titi when building a business in her homeland. Titi realized that she had to work for herself and focus on the work she was doing. As a former migrant worker who was captured as a second class in the community, Titi realized that many doubted his ability. However, Titi had a determination not to give up and ignore the assumptions and people's ridicule of her and focus on the work she is doing.

4.2 Individual Impact: Entrepreneurship

In 2013, Titi joined the Entrepreneurship Workshop organized by Bank Mandiri in collaboration with Ciputra University. This workshop is held for migrant workers who work in Hong Kong. During the workshop, Titi got a lot of knowledge and motivation to do something that would become her job in the future after not being a migrant worker anymore. After going through various considerations, Titi chose to become a batik seller.

"The knowledge I get will be in vain if I do not do something to apply what I get. I searched for what I could do. Because I come from Java, I sell batik only. I offer batik to friends."

After attending the workshop, Titi started to become a batik seller. This effort was made when she was still a migrant worker. She offered batik to his fellow migrant workers. She began to mark batik patterned that were favored by her friends and tried to find other batik producers if she does not have the stock for the patterns requested by her customers.

Titi applied the principle of prudence in running her business because she realized that the materials that had been purchased could not be exchanged again and the large shipping costs to bring them to Hong Kong again. If the batik she owns is not in accordance with the wishes of his customers, then she will try to find new customers who have the potential to like her batik. She would not give up on marketing her products because the experience of associating there taught her to believe that success is obtained by hard work. When Titi first sold Batik while she was in Hong Kong, she represented, to some extent, how social capital formed her later social remittance. The Batik that she sold in Hong Kong was imported from Indonesia, made possible by her connections with the community in her hometown village. Later, she continued to sell and even produce Batik after coming back to Indonesia.

Besides being observant in choosing motives, other entrepreneurial abilities are self-confidence. Titi tried to ignore the shame when offering batik to her friends to buy her products. During her 16 years working in Hong Kong, she has gone through various pleasant and unpleasant events. To be able to get through it all, she had to fight and survive to overcome the various feelings within herself. Shame will be an obstacle for her to develop his business.

4.3 Collective Impact: Batik Community

In addition to social remittances that have an impact on migrants, this study also provides evidence that the social remittances owned by migrant workers also have an impact on the community. In the study of social remittance, Levitt and Lamba Nieves (2011) called it collective remittance. The presence of migrants who are back in their home country makes a positive contribution through cultural ideas and values adopted from the culture in the country where they (formerly) worked.

After the contract period expired, Titi returned to Banyumas. The hometown village is one of the producers of batik in Banyumas Regency. She then joined the batik business group in her village called Papringmas. The Papringmas batik business group is a business group that holds batik produced by batik makers in Papringan village, Banyumas, the majority of which are women. Some of the batik craftsmen deposit their products to be marketed by Papringmas. One of the obstacles faced was the sale of batik that was not smooth so that batik production

piled up. This, of course, has an effect on the motives of craftsmen to continue producing batik.

At first, Titi was an ordinary member of the batik group. Titi who is accustomed to using technology (cellphone) and social media (Instagram and whatsapp) tries to market the products in the group. Titi is also active in making a personal approach to her customers to attract interest in buying products in Pringmas. She focuses on selling batik produced by batik makers who are members of the Papringmas group. This marketing strategy is able to increase the sales of batik, which potentially improve the welfare of batik makers in Papringan village if the trend continues. This increase in income also had an effect on the motivation of batik artisans to continue producing Banyumas batik. The increase in batik production, one of which is influenced by good marketing, contributes to the preservation of Banyumas culture, especially batik, as the villagers keep producing them. Batik craftsmen are increasing their knowledge of the variety of patterns of batik, especially the classic style because the demand for this type of classic style is very high. In this result, classical batik could be preserved for a generation.

Titik's leading involvement in Papringmas Batik community represents the collective remittance as she contributed to community development. Furthermore, viewed from our understanding of social capital, this collective remittance is made possible by the connection that Titi kept with her communities over the period of her working abroad. Generally, her experiences illustrate how social remittances are not only about creating new cultures from overseas experiences but also about manifesting it in community development, in this case, entrepreneurship with her prior experience and social capital.

5. CONCLUSION

This paper has made an example of social remittance at work, by focusing on a case study of a return migrant. Prior to the migration, the migrant workers were experienced with small enterprises but was short of financial capital. Her migration was motivated by economic needs and aspiration to improve after collecting some capitals while working abroad. Her 16 years of experiences abroad provided her with motivation, ethic, and hard skill in using technology, something that is quite foreign to

the older generation in her village. However, the kind of business she chose to run when she returned is not something imported from the host country. Instead, she preferred to develop the Batik business, which is already available in her village. Her strife influenced the Batik community in her village through better management and improvised marketing. The influence of social capital in building the social remittance is visible in the connection that she maintained with her hometown community while she was working abroad. The limitation of this paper is that the case is still recent so that the economic result of this remittance is not measurable at the timeline of the research.

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